

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C., 20548

40384

FILE: B-180187

DATE: January 29, 1974

MATTER OF: Winsor Metal Products

DIGEST: Purchaser whose bid price of \$2,195.76 for bending machine exceeded acquisition cost of \$1,458, next high bid of \$1,268 and current market appraisal of \$1,160 may have sales contract rescinded, since our Office has observed that bid more than 88 percent of acquisition cost is sufficient to put contracting officer on notice of possibility of error in bid and in circumstances bid should have been verified before acceptance. See decisions cited.

By sales invitation No. 27-4050, issued by the Defense Property Disposal Region Office, Defense Supply Agency, Columbus, Ohio, bids were requested for the purchase from the Government of surplus equipment and machine tools. Winsor Metal Products bid only on item 16 and the bending machine described in item 12 as being in poor condition. The Winsor bid on item 12 was \$2,195.76. On October 16, 1973, contract No. 27-4050-146 was awarded to Winsor for the item.


Winsor alleges that in inserting its bid price for items 12 and 16 in its bid it transposed the figures by inserting the bid price intended for item 12 opposite item 16 and the bid price intended for item 16 opposite item 12. The company has requested that the contract be canceled without liability to the firm.

The 19 other bids on item 12 ranged from \$1,268 to \$40. The current market appraisal value, known to the contracting officer prior to bid opening, was \$1,160. The contracting officer acknowledges that since Winsor's bid on item 12 exceeded the acquisition cost, he should have been on notice of possible error in the bid and requested verification prior to award. Counsel for the Defense Property Disposal Service (DPDS) concurs in that view. Our Office has observed that a bid more than 88 percent of the acquisition cost is sufficient to put the contracting officer on notice of the possibility of error. B-157656, September 23, 1965, and B-174423, November 26, 1971.

B-380187

In the circumstances, we agree with the contracting officer and counsel for DFDS that the Winsor bid should have been verified prior to award.

Accordingly, contract No. 27-4050-146 may be canceled without liability to the company as administratively recommended.


Deputy Comptroller General
of the United States